



COMPTROLLER

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MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
(FINANCIAL MANAGEMENT AND COMPTROLLER)
COMPTROLLER, JOINT STAFF
DIRECTOR, PROGRAM ANALYSIS AND FINANCIAL
MANAGEMENT, U.S. TRANSPORTATION COMMAND
COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE
DEFENSE AGENCIES
COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE DOD
FIELD ACTIVITIES
DIRECTOR, RESOURCE MANAGEMENT, U.S. ARMY CORPS OF
ENGINEERS

SUBJECT: DoD United States Standard General Ledger and Standard Financial Information
Structure System Testing Requirement

- References:
- (a) Secretary of Defense Memorandum, "Improving Financial Information and Achieving Audit Readiness," October 13, 2011
 - (b) Under Secretary of Defense (Comptroller)/Chief Financial Officer (USD(C)/CFO) and Deputy Chief Management Officer (DCMO) Memorandum, "Department of Defense Standard Line of Accounting/Accounting Classification," September 14, 2012
 - (c) Office of Management and Budget Circular A-123, Appendix D, "Compliance with the Federal Financial Management Improvement Act of 1996"

The Office of the Under Secretary of Defense Comptroller (OUSD(C)) and the Office of the Deputy Chief Management Officer (ODCMO) have engaged the Joint Interoperability Test Command (JITC) to conduct an ongoing conformance testing initiative for financial management systems. To address recent DoD Inspector General reports on financial management systems' deficiencies, this initiative will help Pre-Certification Authorities (PCAs) improve their financial management systems effectiveness and ability to sustain long-term auditability.

JITC will provide independent conformance testing on a reimbursable basis. Funding will be the responsibility of the applicable DoD component or system owner, as a part of their typical, annual operating costs for updates/compliance assessments. The test results will provide better assurance, as part of a PCA's Defense Business Council funds certification process, that systems are meeting audit readiness goals, are complying with the Business Enterprise Architecture's latest version, and have plans in place to correct identified system and interface deficiencies associated with Standard Financial Information Structure (SFIS) requirements. The JITC Conformance Test Results will serve to inform systems owners of necessary configuration changes and enhance the quality of the key systems that drive our end-to-end processes.

Testing will focus on four key areas:

- Chart of Accounts alignment with the DoD United States Standard General Ledger (USSGL) (unless specifically waived by OUSD(C));
- Posting logic in accordance with the DoD USSGL Transaction Library;
- Implementation of latest SFIS data requirements and business rules; and
- Interoperability of relevant inbound/outbound interfaces' specifications/data maps to ensure conformance with the most current version of SFIS and SLOA.

Attached is a priority system list established by OUSD(C) and ODCMO, intended to represent the testing schedule. Systems managers must provide their system administrators' contact information and schedule their systems' conformance tests with Mr. Frank Hay in JITC (301-743-4220, francis.j.hay.civ@mail.mil) by July 31, 2014. The priority ranking is based on a combination of audit materiality and investment impact.

The Secretary of Defense, in Reference (a), called for an "all hands" effort across the Department to improve our business practices – "ensuring that we are operating in a common sense, accountable and modern business environment." To facilitate the Secretary's push for financial improvement and audit readiness, the USD(C)/CFO and DCMO issued Reference (b), requiring lines of accounting to be standardized. Further, in Reference (c), OMB requires that, "[f]inancial events shall be recorded applying the requirements of the United States Standard General Ledger (USSGL) guidance in the Treasury Financial Manual (TFM). Application of the USSGL at the transaction level means that each time an approved transaction is recorded in the financial management system, it will generate appropriate general ledger accounts for posting the transaction according to the rules defined in the USSGL guidance."

This memorandum supports systems compliance with the DoD Financial Management Regulation, Volume 1, Chapter 4 and USSGL/SFIS/SLOA requirements located at <http://dcmo.defense.gov/products-and-services/standard-financial-information-structure>. Questions regarding this guidance may be directed to Ms. Micky Chopra in OUSD(C) (703-614-7253, micky.t.chopra.civ@mail.mil), and/or Mr. Raymond Bombac in ODCMO (571-372-3092, raymond.m.bombac.civ@mail.mil).



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Attachment:
As stated

